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Need For Better
Management And Control Over
Government Transportation Requests
In The Department Of Defense B. 173370

*UNITED STATES
GENERAL ACCOUNTING OFFICE*

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MAY 24, 1972



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-173370

Dear Mr. Secretary:

We have reviewed policies and practices relating to the Department of the Army's management and control over Government transportation requests (TRs) issued in connection with travel performed by service members and/or their dependents. During fiscal year 1970 about one third of the 218,000 TRs issued by the Army for such travel are estimated to have resulted in erroneous travel allowance entitlements.

Ordinarily members of the uniformed services and their dependents who are ordered to make permanent change of stations (PCSs) can elect to be furnished transportation by the Government or they may furnish their own transportation and be reimbursed a mileage or monetary allowance in lieu of transportation after they or their dependents have completed the authorized travel. The same general conditions apply for the temporary duty travel except that transportation of dependents at Government expense is not authorized.

Government-furnished transportation includes commercial transportation procured by use of a TR, which is the authorization for a carrier to issue a ticket for the services indicated. The carrier later bills the Government for the cost of the tickets furnished. A member electing to furnish his own transportation may receive an advance payment for his travel allowance but not for the travel of his dependents. If a member who elects to travel at personal expense later decides to travel partly by Government means--including TRs--his travel allowances are computed under mixed travel formulas set forth in the Joint Travel Regulations, which are applicable to all members of the uniformed services.

In addition, members without funds and traveling in a leave status without prior orders may be furnished Government-procured transportation for return to their duty stations. The cost of this transportation is to be charged against the member's pay account and is designated by the Army as cost-charge transportation. In these cases TRs are issued as a convenience to the members for the unofficial travel.

We examined records at the Finance Center, U.S. Army, Indianapolis, Indiana, to determine (1) whether TRs were used for official travel and whether travel expense entitlements were computed in accordance with the Joint Travel Regulations, (2) whether travel performed by use of a TR was properly considered in settling the member's travel claim, and (3) whether the cost of transportation furnished on a cost-charge basis was collected from the member's pay account.

Our review included examinations of TRs selected randomly from daily payment registers prepared during fiscal year 1970 at the Finance Center. The results of our samples indicate that an estimated 60,500 errors totaling \$6.2 million were made relating to Government-procured transportation obtained with TRs for Army members and/or their dependents. Details of our estimates of the number of errors and the dollar amounts associated with each category of error are shown in appendix I.

COST-CHARGE TRANSPORTATION REQUESTS

On the basis of our sample, we estimate that nearly \$2.8 million was not collected from 22,600 members who were issued cost-charge TRs because of a breakdown in the transportation offices' controls over documentation flow advising finance and accounting offices that such TRs had been issued.

We believe that the failure to collect these costs resulted primarily from misdirected paperwork, the number and variety of stations authorized to issue TRs, and the lack of a centralized pay system within the Army to control the TRs.

We brought this matter to the attention of the Comptroller of the Army, and in August 1971 the Assistant Comptroller for Finance and Comptroller Information Systems directed that immediate action be taken to provide for timely collection of cost-charge TRs under the Army's new central computerized Joint Uniform Military Pay System (JUMPS). That action is expected to greatly reduce the number of errors involving the failure to collect cost-charge TRs.

TRANSPORTATION REQUESTS FOR PCS TRAVEL

On the basis of our sample, we estimate that errors totaling about \$2 million were made in the accounts of 33,300 Army members because travel performed by use of TRs was not

properly considered in settling the members' travel claims. Either the Army procedures to control TRs were not followed or the persons responsible for settling travel claims did not follow the prescribed mixed travel formulas in the Joint Travel Regulations for computing the amount due the members.

Army regulations require that, when a TR is issued to a member or his dependents, a copy of the TR and other pertinent documents be forwarded by the transportation office to the finance and accounting office at the new duty station in order that the cost of such transportation may be considered in the settlement of the member's travel claim.

In our sample of 473 TRs, there were 75 instances in which members did not disclose the fact that TRs had been used for a part of the journey when they submitted their travel claims, and finance personnel apparently were unaware that TRs had been issued since the mixed travel formulas were not used to adjust the travel expense entitlements. Moreover, there were 56 cases in which the use of TRs was noted on the travel claims, but the computations of the amounts due the members were incorrect.

We were advised that, in many of those cases, copies of TRs and other pertinent records had not been received at the members' new duty stations. In some cases the transportation office had forwarded the TR information to the Finance Center for locator service; however, this information was erroneously placed in members' military pay jackets and forgotten. In other cases the transportation office had mailed the information to the Finance Center in error, where it usually was destroyed rather than forwarded to the new station. In a number of cases, members had made incorrect certifications on their travel claims with respect to the use of TRs.

Transportation requests involving mixed travel

Of the 131 errors we found, about 89 percent involved travel claims in which TRs had been issued at intermediate places, generally in the proximity of members' leave addresses. When a TR is issued for onward travel from a leave point to the member's new permanent duty station, it is considered as mixed travel since the member provides part of his transportation and the Government furnishes a part. Separate and complex formulas contained in the Joint Travel Regulations must be followed to compute the member's travel expense entitlement when mixed travel is involved. In our review we

found that numerous errors were caused by the failure to apply these formulas properly.

Army regulations provide for making travel expense advances to members being transferred to new duty stations, and most members who elect to provide their own transportation receive such advances. Therefore, when TRs are issued en route to a new station under orders that do not contain travel information, they should be considered the same as TRs involving cost-charge travel.

The TRs are issued as a convenience to members who have already elected to provide their own transportation rather than receive Government-furnished transportation. If these situations were treated the same, all TRs could be controlled in the same manner as the Army has proposed to control collections under JUMPS for cost-charge TRs. This procedure would simplify travel entitlement regulations and could be expected to reduce significantly the number and types of errors noted in our review. See our letter to the Secretary of the Army, which is included as appendix II.

TRANSPORTATION REQUESTS FOR TRAVEL OF DEPENDENTS

On the basis of our sample, we estimate that errors totaling \$1.4 million were made in the use of TRs by dependents of Army members in connection with 4,600 trips. These errors, too, were caused by inadequate controls or by use of inappropriate Army regulations. Some of the major types of errors identified are discussed below.

Monetary allowance claimed when TRs were used

Our sample of 637 TRs issued for travel of dependents included 30 instances, or nearly 5 percent of the cases examined, in which the members claimed, and were paid, monetary allowances for the same travel that was performed by use of TRs.

We reported this same condition to the Congress in a report entitled "Improper Payments to Military Personnel for Travel of Dependents, Department of the Army" (B-146861, Feb. 17, 1964), and proposed that the Secretary of the Army issue regulations requiring transportation officers who issue TRs to dependents to notify the finance office at the members'

new duty stations of the pertinent details. In commenting on a draft of that report, the Assistant Secretary of Defense (Comptroller) stated that the Secretary of the Army had issued instructions requiring that copies of all TRs issued for travel of dependents be forwarded to the members' new duty stations for use in determining travel allowance entitlements.

The results of our sample show that persons responsible for controlling these transactions are not following prescribed procedures. As previously mentioned many copies of the TRs that are supposed to be forwarded to the new stations are being misdirected, misfiled, lost, or destroyed.

TRs for ineligible dependents

In general all primary dependents, wives and children, of eligible members may be furnished transportation at Government expense in connection with an official change of station. Other dependents, such as parents and stepchildren, also may be eligible for transportation at Government expense if certain dependency tests are met and if approval has been granted. We found in our sample 38 cases in which TRs had been issued for persons who were not eligible for transportation at Government expense.

Questionable TRs for movement of dependents to overseas areas

An Army member who otherwise is entitled to transportation of his dependents at Government expense, when assigned to duty at an overseas station where dependents are authorized, is given the option of electing to serve a normal tour (with dependents) or a short tour (without dependents). If the normal tour is elected, the Government agrees to furnish transportation for the member's dependents. Department of Defense regulations require that members must have enough remaining obligated service to at least equal the period of the normal overseas tour to be entitled to transportation of dependents at Government expense.

At the time of our review, Army regulations stated that enlisted members who had insufficient obligated service to complete the normal overseas tour could become eligible for dependents' transportation at Government expense by signing a statement of intent to reenlist. Army regulations also permitted exceptions to the normal overseas tour length for members eligible for voluntary retirement. In our sample we

2 found 97 cases in which the members did not have the necessary obligated service required by Department of Defense regulations to qualify them for transportation of dependents at Government expense. 5

We advised the Army that, in our opinion, the statement of intent to reenlist was not a firm extension of service since it was not legally enforceable and that members eligible for voluntary retirement also must have enough remaining years of obligated service to complete the prescribed normal tour of overseas duty with dependents to be eligible for transportation at Government expense. The Army thereafter changed its regulations to require that members must have sufficient obligated service to complete the normal overseas tour before dependent travel would be authorized at Government expense. This action, if properly implemented, should reduce the number of questionable TRs issued for travel of dependents to overseas areas for periods shorter than the normal prescribed tours of duty.

OTHER OBSERVATIONS AND AGENCY ACTIONS

The Department of the Army, by message dated August 13, 1971, advised all Army installation commanders of our interim findings and pointed out the type of TR transactions that had the highest error rates so that corrective action could be taken without delay. Also, as a result of the errors identified in our review, the Finance Center has reinstituted an examination program whereby TR information relating to movement of members and dependents is reconciled with travel vouchers on a sampling basis.

We made limited tests at the Air Force Accounting and Finance Center, Denver, Colorado, and found that some of the same deficiencies identified in this report also existed in the Department of the Air Force. Our findings were discussed with Center officials, and we were advised that the Auditor General would be requested to perform a review to determine the causes for the deficiencies. In addition, Air Force accounting and finance officers were informed of our findings and were advised to review travel area procedures to ensure compliance with existing instructions.

Although we did not review TR records of the Department of the Navy and the Marine Corps, there is every reason to believe that the same conditions also may exist in those services.

CONCLUSIONS AND RECOMMENDATIONS

Our review indicates that the military services are experiencing problems because they have not been able to control TRs issued in connection with travel performed by service members and/or their dependents. We therefore recommend that you

--take appropriate action to have the Joint Travel Regulations amended to require that TRs issued en route in connection with leave taken by members prior to reporting to a new duty station under orders containing no travel information be treated the same as cost-charge transactions and that the amounts of the TRs be deducted from the pay and allowances otherwise due the members. (See app. II.)

--direct the services to consider controlling the issuance of TRs through their respective computerized pay systems--JUMPS--in the same manner as they would control a casual or partial payment.

3 We recommend also that you instruct the Navy and the Marine Corps to have their internal audit organizations look into the adequacy of TR controls in their respective services. 98

In addition, we suggest that the Secretary of the Army continue to emphasize the need for improved controls to make sure that only authorized dependents are transported at Government expense and that all pertinent information is shown on the travel claims to prevent payment of travel allowances in situations where transportation has been furnished by the Government.

Copies of this report are being sent to the Director, Office of Management and Budget; to the Secretaries of the Army, Navy, and Air Force; and to the Commandant of the Marine Corps. Copies are also being sent to the House and Senate Committees on Appropriations, Government Operations, and Armed Services. <300
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H 500

Sincerely yours,

(signed) Thomas D. Morris

T. D. Morris
Acting Director

The Honorable
The Secretary of Defense

APPENDIX I

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NUMBER OF TRs PAID DURING FISCAL YEAR 1970
FOR TRAVEL OF ARMY MEMBERS AND THEIR DEPENDENTS--NUMBER
AND DOLLAR AMOUNT IN ERROR, CLASSIFIED BY CATEGORY OF TRAVEL

Type	Number issued	Estimated total errors		
		Number (rounded)	Percent	Amount (thousands)
Cost-charge	62,825	22,600	36.0	\$2,771
PCS--members	139,871	33,300	23.8	2,052
PCS--dependents	15,565	4,600	29.6	1,414
Total	218,261	60,500	27.7	\$6,237

Our estimates of the total number of errors and the dollar amounts associated with each category of errors are based on random samples selected from the TRs paid during fiscal year 1970. A sample of 400 TRs was selected from those classified by the Army as cost-charge TRs, and a sample of 387 TRs was selected from those classified as PCS. Analysis of these samples¹ revealed that 27.5 percent of the cost-charge TRs should have been classified as PCS and that 6.2 percent of the PCS TRs should have been classified as cost-charge TRs. From this information we estimated that the correct number of cost-charge TRs paid during fiscal year 1970 was 62,825 and the correct number of PCS TRs was 139,871, as tabulated below.

Original classification (based on allotment codes) Category	Number	Correct classification-- category and estimated number	
		Cost-charge	PCS
Cost-charge	75,801	54,956	20,845
PCS--members	126,895	7,869	119,026
Total	202,696	62,825	139,871

A tabulation of the corrected classification of the sample TRs and the errors found is shown below.

Original classification Type	Sample	Corrected classification of the sample			
		Cost-charge		PCS--members	
		Sample	Errors	Sample	Errors
Cost-charge	400	290	97	110	70
PCS--members	387	24	13	363	61
Total	787	314	110	473	131

For each category of travel, the number of errors pertaining to the correctly classified TRs was divided by the original sample size for that category and the quotient was multiplied by the original universe size to obtain a correctly classified weighted estimate of the number of errors. The weighted estimated numbers of errors, classified by corrected category, in each of the original categories of travel were added to obtain total estimated errors for the corrected categories. A summary of our sample results is shown below.

Type	Number issued	Examined	Errors	
			Number	Amount
Cost-charge	62,825	314	110	\$13,433
PCS--members	139,871	473	131	8,191
PCS--dependents	15,565	637	188	57,865
Total	218,261	1,424	429	\$79,489

A similar procedure was used to obtain correctly classified weighted estimates of the dollar amounts of errors for each category of travel.

¹The approximate percentages of erroneously classified TRs have been inadvertently reversed in par. 3, p. 1, of app. II.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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Dear Mr. Secretary:

Under the provisions of paragraph #5400 of the Joint Travel Regulations members traveling in a leave status without prior orders who are without funds may be furnished Government procured transportation for return to their duty stations. The cost of this transportation is charged against the member's pay account and is designated as cost-charge transportation.

Under the same provisions, members traveling under change of permanent station orders (PCS) with leave en route who are without funds at their leave point likewise may be furnished Government procured transportation for the onward travel from the leave point to their new duty station. In this situation, however, the transportation has been viewed under the regulations as having been furnished pursuant to the travel orders and the cost of the transportation considered a matter for adjustment on the members' travel vouchers as mixed travel under paragraph #4174 of the Joint Travel Regulations.

The Army has a system of allotment codes which it uses on transportation requests to distinguish between the two forms of travel referred to above. In the course of a review by our audit personnel of travel by Army members through use of carrier tickets procured by Government transportation requests issued in connection with these types of travel, it was found that approximately 31 percent of the PCS sample and 7 percent of the cost-charge sample were erroneously classified. The allotment coding on the face of the transportation requests for PCS travel identified them as cost-charge and vice versa. A further investigation indicated that the offices issuing the transportation requests (TRs) have been experiencing difficulty in distinguishing between the two and their failure to do so leads to improper settlements of travel claims in many cases.

To illustrate the problem, a member traveling under permanent change-of-station orders from Korea to Fort Knox, Kentucky, was authorized 30 days' delay en route to count as leave with leave address at Hammond, Indiana. The orders contained no travel data and at member's election he chose to receive \$0.06 per mile for the official mileage from McChord Air Force Base (port of entry) to Fort Knox and was paid \$141 travel advance based on this mileage rate. While on leave the member was issued a TR for the completion of his journey from Chicago, Illinois, to his new duty station and the cost of this transportation, \$14, was deducted from his pay under the cost-charge procedure.

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Since the member had been traveling under permanent change-of-station orders when he had need for a TR for continued travel, the governing regulations apparently contemplate that all travel from McChord Air Force Base to Fort Knox should be considered mixed travel--partly at personal expense and partly by Government transportation--with the member's travel expense entitlement governed by paragraph M4154 of the Joint Travel Regulations. Under the provisions of that paragraph, the member would be entitled to a monetary allowance in lieu of transportation at \$0.05 per mile for land travel from McChord to Fort Knox, less the distance from Chicago to Fort Knox, plus proper per diem, requiring a repayment of \$29.27 instead of the \$14 which he was charged.

From the standpoint of leave travel we perceive no practical difference between the cited case and that of a member on leave without travel orders, who is furnished transportation through use of a TR to return to his duty station.

In cases of travel performed under orders, section 404(a) of title 37 of the U.S. Code provides that under regulations prescribed by the Secretaries concerned, members of the uniformed services shall be entitled to receive travel and transportation allowances without regard to the comparative costs of the various modes of transportation. Insofar as here involved, permanent change-of-station travel costs are legally reimbursable on two bases. A monetary allowance for transportation plus per diem (37 U.S.C. 404(d)(2)) or a mileage allowance (37 U.S.C. 404(d)(3)).

As indicated above, the current Joint Travel Regulations provide in paragraph M5400 that:

"1. PRIOR ORDERS

"a. General. When * * * a member otherwise without funds * * * under prior orders, reports in * * * to a station of one of the respective Services other than his duty station and is without funds with which to purchase transportation, he may be furnished the necessary transportation * * * to travel to his new duty station * * *. In such cases, the transportation * * * will be considered as furnished in connection with the prior orders, and reimbursement * * * should be made in accordance with the appropriate instructions of Chapter 4."

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Paragraph #4154 of chapter 4, which governs mixed travel, provides for the computation of travel allowances in cases involving land travel on permanent changes of station where such travel is partly by Government means--including transportation requests--and partly at personal expense. This paragraph properly establishes the rule in all situations where mixed travel is contemplated by the PCS orders. Its application, however, in cases where no travel data is included in the orders and the travel was from a leave point to the member's new station appears questionable.

We held in 23 Comp. Gen. 713 (1944), that where travel has been performed on a mileage basis and the orders authorize the allowance on that basis, those orders may not be amended retroactively to change the reimbursement for travel already performed. Under the principle of that decision--which has been consistently followed and applied by this Office--the travel reimbursement rights of a member who had performed travel on a mileage basis may not legally be changed retroactively to reimburse him on another basis for that travel. Such reimbursement rights may only be changed prospectively.

Under this rule, it would be improper to amend the member's orders so as to require recomputation of the travel reimbursement rights in the cited case for any of the travel performed on PCS with the possible exception of the distance from Chicago to Fort Knox. Yet, the cited regulations as applied have precisely that effect in leave en route PCS cases where Government transportation is furnished for onward travel from the leave point.

Also, such application appears inconsistent with case 9, paragraph #4156 of the Joint Travel Regulations, which provides that a member who takes leave before joining his new station while under change-of-station orders is not deprived of the allowances to which he would be entitled had he not availed himself of leave. In this regard, it seems apparent that but for the taking of leave, the member in the submitted case would have been entitled to mileage for the full distance as paid and clearly the issuance of the TR was incident to the taking of leave rather than the performance of the ordered travel.

In such circumstances and since the present regulations have produced lack of uniformity in the treatment of member travel claims, it is recommended that changes be made in the Joint Travel Regulations to

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resolve this problem. In our opinion there would be no legal objection to treating the issuance of a TR in all leave cases as a cost-charge transaction--in effect a casual payment--and deducting the amount of the TR from the pay and allowances otherwise due the member. If that approach to the problem is deemed inappropriate, it would appear that a casual payment in lieu of transportation requests could be authorized in all leave cases of the type discussed above.

Please advise us of the action taken.

Sincerely yours,

R.F.KELLER
Acting Comptroller General
of the United States

The Honorable
The Secretary of the Army